

Preferential purchase of U.S. and Texas products
(HB 707 by R. Lewis/Green)

DIGEST: HB 707 would have required state agencies to give preference first to Texas, then to U.S., Mexican and Canadian products when selecting bids for product purchases and construction contracts. "Texas products" was defined to include products from Mexico. Among preferred Texas products, first preference would have been given to those produced by companies with majority ownership by socially disadvantaged persons, including blacks, Hispanics, American Indians and women.

GOVERNOR'S
REASON
FOR VETO:

The governor said HB 707 would have been almost impossible to administer because of the number of preference combinations required to be verified. The added cost of determining preferences would have raised the cost of public contracts at a time when reducing the cost of government would better serve the public interest.

The governor also objected to Mexican products being included in the definition of Texas products and to the exemption of legislative-agency procurement. "If preference requirements are such a good idea, why did the Legislature exempt itself?" said the governor. In addition, the governor said the bill would have hurt Texas' effort to attract foreign business.

AUTHOR'S
VIEW:

Rep. Ron Lewis said the governor would not have to explain the veto to him but to "the 800,000 unemployed workers in this state." The governor would also have to explain to the state's taxpayers "why we continue to use their money to buy foreign products that we make here." "The governor vetoed this bill with bad information," said Rep. Lewis.

Sen. Gene Green, the Senate sponsor of HB 707, said: "I am shocked once again at the callous disregard that the governor has expressed for the working people and small businessmen and women of Texas. He has stamped out with one stroke of a pen the bipartisan efforts of the Legislature to alleviate in part the terrible effects of a plummeting economy and joblessness on the people I represent and, lest he forget, the people he represents. He is just not sensitive to their problems."

NOTES:

The House Research Organization analysis of HB 707 appeared in the April 28, 1987 Daily Floor Report. The analysis of Senate amendments to HB 707 appeared in the April 30, 1987 Daily Floor Report.